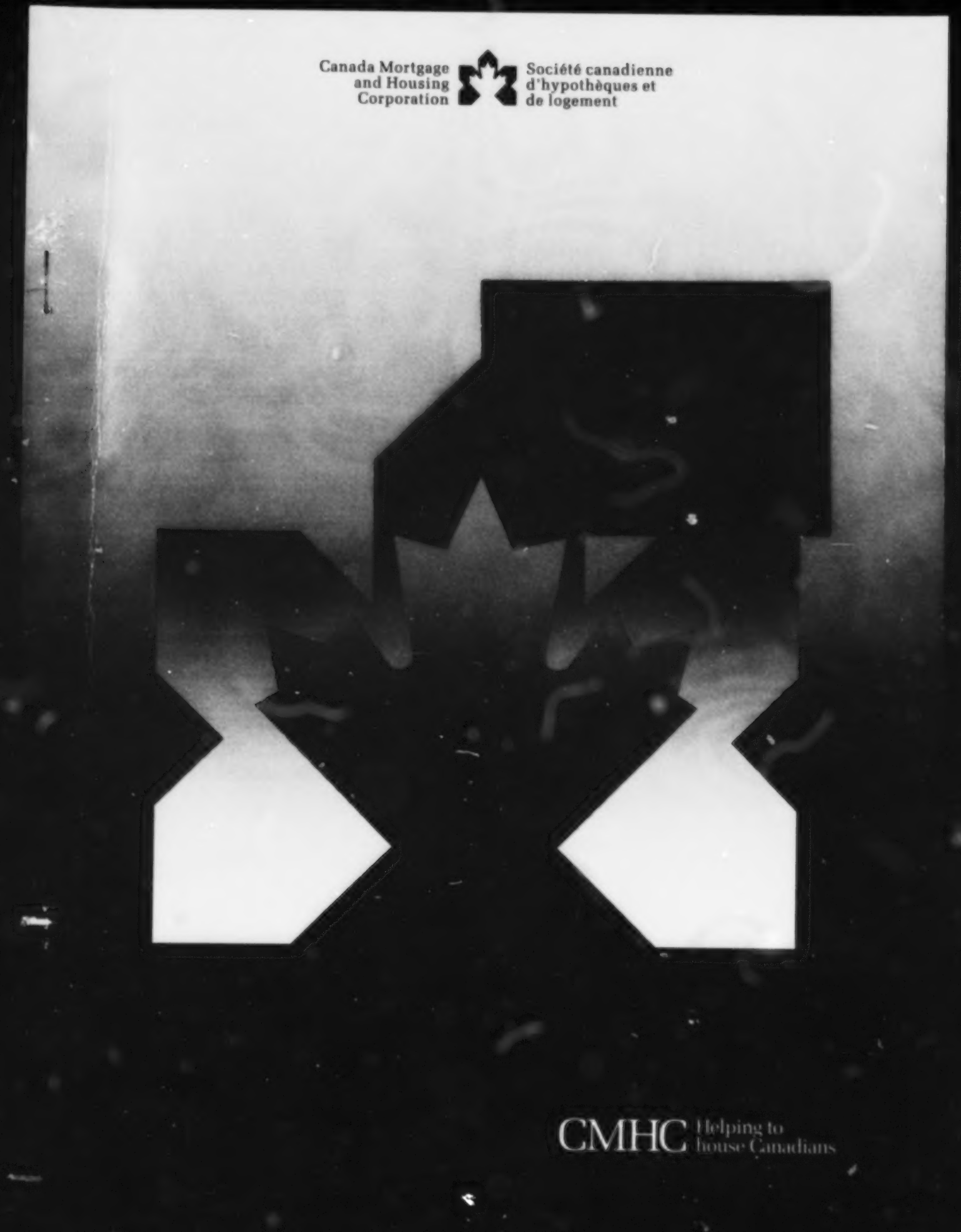
Canada Mortgage and Housing Corporation

Société canadienne d'hypothèques et de logement



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TENANT PARTICIPATION IN THE MANAGEMENT OF PUBLIC HOUSING

A SYNOPSIS OF U.S. EXPERIENCE

PO

Prepared by:
Professional Standards Division
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Canada Mortgage and Housing Corporation
Société canadienne d'hypothèques et de logement

Canadian Housing Information Centre
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EXECUTIVE SUMMARY

This paper is a brief overview of the more recent literature on tenant participation in the management of public housing. The results of the National Tenant Management Demonstration were particularly relevant, and thus, comprise the core component of this study.

The overall results of the implementation of tenant management in public housing in the United States have been positive. Initial evaluations revealed that tenant management, while functional, was not a major improvement over conventional public housing management, and in turn, could not be endorsed by the Manpower Demonstration Research Corporation as a federally-initiated program. However, later assessments of tenant managed public housing confirmed that while initial start-up and modernization costs can be significant, long-term operational costs were quite reasonable. Overall, Tenant Management Operations have proven able to maintain their operations with no more management dollars per unit than Public Housing Authority managed sites.

When costs were assessed in terms of benefits, the initial monetary outlays required to fund a Tenant Management Corporation certainly merited the investment. The evaluation of tenant management in terms of benefits revealed dramatically increased occupancy rates, a reduction in delinquent rents, a marked increase in maintenance worker productivity, extensive job creation, diminished crime rates and a noticeable improvement in community spirit. In conclusion, when benefits were considered, tenant management of public housing in the United States, proved to be a viable and cost-effective alternative to conventional public housing management.

INTRODUCTION

As part of the background research toward establishing a policy on regeneration, tenant management is being investigated as one possible approach toward improving operational efficiency and quality of life in Canadian public housing.

A number of tenant managed public housing initiatives have been undertaken in the United States over the past decade. This paper attempts to provide an overview of the practicality of tenant management in terms of net public expenditures and in terms of potential benefits based on the results of the American experience.

In the course of determining the viability of the concept of tenant managed housing, potential problems are identified, and in turn, systematic methods to circumvent those problems, or keys to success, are recommended. Work has also been undertaken on the steps necessary to establish a Tenant Management Corporation, as well as an analysis of training methodology.

"Under resident management, a Public Housing Agency (PHA), and a Tenant Management Corporation (TMC), representing the tenants of one or more public housing developments, establish a contractual arrangement for certain mutually agreed upon managerial responsibilities. The TMC, run by an elected board, develops general policies and oversees day-to-day operations." (Talking Points, p.1).

Currently there are at least 12 sizable public housing projects in the United States that are managed by a Tenant Management Corporation. The rationale of the concept of tenant management is three-fold:

i) Tenants, if they are not made part of the solution, are likely to become part of the problem;

ii) Tenants have an insight into their needs and the incentive to work at public housing;

iii) "Adequate resources and good management cannot solve all of public housing's problems ... solutions are needed in the form of delivery of services, job generation and the promotion of broader forms of community development." (Kolodny, What Happens When Tenants Manage Their Own Public Housing, pp. 2-4).

Along the same line, there are two basic principles of tenant management:

i) To improve the condition of public housing by increasing the participation of tenants in the operation and management of the housing developments they occupy;

ii) To improve the economic conditions of tenants in public housing by providing them with the organizational and technical skills necessary for tenant participation, tenant management and tenant economic development.

BACKGROUND

The National Tenant Management Demonstration, jointly sponsored by the Department of Housing and Urban Development (HUD) and the Ford Foundation, and managed by the Manpower Demonstration Research Corporation (MDRC), got underway in 1976 with six (6) public housing authorities participating. By 1982, four tenant management agreements remained in effect: (Jersey City - A. Harry Moore, Louisville - Iroquois Homes, New Orleans - Calliope (now B.W. Cooper), and Rochester - Ashanti), while two of the sites had managed to expand their tenant management activity to additional projects. Oklahoma City dropped out before the Demonstration entered its more serious phase, while New Haven's program never really got off the ground. These defections were said to be due to problems in the PHA unrelated to the TMC effort. It is upon these four demonstration sites, as well as other selected sites (Kenilworth Parkside, Cochran Gardens, Bromley-Heath and Curries Woods) that this paper is based (see Table 1, p. 19) for a more detailed description of the tenant managed sites).

INITIAL CONCLUSIONS

The initial results of the National Tenant Management Demonstration study revealed that tenant management was feasible and worked fairly well at some sites, but overall, was not a significant improvement over regular public housing management. It was concluded that tenant management was costly to implement and required a critical combination of events which were not likely to occur frequently. As a result, the Manpower Demonstration Research Corporation could not endorse tenant management as a federally-initiated or encouraged program.

RECENT FINDINGS

Another study of the National Tenant Management Demonstration project was initiated in the last months of the demonstration activity. It was believed that previous findings had come too early in the venture for anyone to be sure it had been given a fair test, and thus, a reassessment was in order. The success/failure of the Tenant Managed Corporations was assessed on the basis of five principles:

i) Tenant management was the only hope to rescue the subject site from accelerated decline or abandonment;

ii) Putting residents in charge would lead to better real estate management: reduced vacancy rates, higher average rents, increased rent collection, improved maintenance services, and more effective prioritization with regard to money and staff;

iii) Tenant management would produce job training for residents, i.e. through direct employment in modernization/maintenance, employment in social service and community development programs, or assistance in finding a job through TMC programs;

iv) Potential communal pride in exercising control might make conditions seem better even if there was no objective improvement;

v) The tenant management experience could be utilized for more ambitious community development, i.e. creation of health care services.

The overall results of this updated study appeared to be quite encouraging. While initial start-up/modernization costs were significant (see Tables 2 and 3, pp. 20-21), yearly operating costs thereafter proved to be quite reasonable. (Modernization funds are not a prerequisite for a TMC. What is more important is that the TMC have control over site improvements whenever they occur. In fact, it may be preferable to postpone major modernization activities until the TMC has achieved a certain degree of stability and tenant confidence.) Annual operating costs represent an approximation of the differential costs of tenant management once established, after most of the heavy front-end training and technical assistance costs are passed:

Site	Annual Cost
New Orleans (Calliope - B.W. Cooper)	- $310 per unit per year
Rochester (Ashanti)	- $810 per unit per year

Each of the four Tenant Managed Corporations which participated in the National Demonstration now operate on their own budgets with no supplemental financial assistance beyond that which they are able to raise themselves or through public and charitable grants they obtain in partnership with the PHA. Tenant Managed Corporations' operating budgets are usually based on a pro rata share formula, i.e. the project participates in the PHA's overall income (from rent, etc.), in proportion to its share total number of units. Overall, the TMCs have proven able to maintain their operations with no more management dollars per unit than PHA-managed sites.

Tenant management is surviving, and to some extent, prospering at many sites where it has been introduced. More importantly, tenant management shows great potential. If the objectives in the administration of low rent

housing are broad and multifaceted and include local empowerment, expanded employment opportunities for residents, leadership development, and some progress toward the revitalization of severely depressed residential districts, then tenant management would seem to have substantially, if not fully realized possibilities.

RESULTS

a) Site Rescue

The reassessment of the National Tenant Management Demonstration based on the criteria stated on page 3 further confirms the relative success of tenant managed housing. With regard to the first premise, the tenant management system "saved" two sites that were in a state of rapid decline.

b) Real Estate Management

Better real estate management has also been realized through tenant management. The full time presence of a management team assists with the speedy implementation of services. Since Tenant Managed Corporations know their residents and are often residents themselves, their ability to discipline their neighbours is enhanced by the fact that they have to manage their own households under equivalent circumstances.

At the A. Harry Moore management site (Jersey City), occupancy increased from 79% to 98%, (Rigby, The Residents as Resource, p. 41) accompanied by an increase in rental fees of 47% (absolute dollars). (Kolodny, What Happens when Tenants ..., p. 31) Delinquent rents were also cut from 22% to 4% in 1977 and remained, except for one deviation, between 3% and 11% thereafter (Rigby, The Residents as Resource, p. 42). At A. Harry Moore, a marked increase was indicated in maintenance worker productivity, while requests for repairs were reduced from 150-300 a month to 20-40 a

month (Resident Management Demonstration, p. 2). The Iroquois Homes in Louisville also showed a marked increase in rent collection (96%) and work order completion (96%) as did Ashanti in Rochester. (Kolodny, What Happens When Tenants Manage Their Own Public Housing, pp. 32-33).

The Kenilworth Parkside Resident Management Corporation (Washington), though not part of the National Tenant Management Demonstration, is certainly an example of a successful Tenant Management Corporation. The Kenilworth Parkside Resident Management Corporation (KPRMC) managed to increase rent collections by 179% and cut their administrative operating costs by 60% (Tenant Management of Public Housing, p. 4). They have also managed to reduce their vacancy rate from an average of 18% to 5.4% per annum. (Woodson, Cost Benefit Analysis of the Kenilworth Parkside Resident Management Corporation, p. 7).

At present, Kenilworth Parkside receives only an annual utility subsidy (4% management fee) from the District government and relies on rental income to fund operating costs. If an operating deficit is realized in the course of annual operations, KPRMC is responsible for covering the loss from its management fee. In reality, the Kenilworth Parkside site is run so successfully that one study projected a conservative net benefit to the City of Washington of nearly 6 million by the end of 1991. (Talking Points, p. 2) (See Table 4, p. 22 for a summary of district benefit flows for resident management operations at Kenilworth Parkside for fiscal years 1982 through 1991).

c) Job Creation and Placement

Tenant management has also succeeded in producing permanent jobs and/or job training for its residents. For example, at Iroquois Homes in Louisville, by the end of 1982, 14 out of 20 positions in management and maintenance spheres were held by residents or former residents of Iroquois Homes (Kolodny, What Happens When Tenants ..., p. 71). In 1982 at the

A. Harry Moore site in Jersey City, six residents were employed full-time. An additional eight were employed as housing maintenance workers (Kolodny, What Happens When Tenants ..., p. 72). During peak periods, additional personnel are employed. At the Kenilworth Parkside Resident Management Corporation, 140 new jobs were created under resident management, while at the Cochrane Tenant Management Corporation, 350 new jobs resulted from the tenant's establishment of maintenance and renovation crews (Resident Management Demonstration, pp. 1-2). Job counselling and job training have also been implemented at many tenant managed sites.

d) Communal Pride

Communal pride is another visible outcome of the Tenant Management Corporation. When tenants assumed control, in many instances, morale seemed to skyrocket. As a result, there has been a tremendous reduction in vandalism and crime. At the A. Harry Moore complex, crime was reduced from 3 times the city average to below the Citywide average, while a community security force at Bromley Heath Tenant Management Corporation (Boston), reduced robberies by 77%. (Resident Management Demonstration, p. 2)

e) Community Development

At many of the tenant management sites, significant community organizations or social services were fostered. All sites were involved in community development to some degree, though some were more committed than others. Services such as day care centres, elderly meal plans and health care facilities abound. In most instances, it is unlikely that the breadth and depth of services available at resident managed sites would have been implemented without the Tenant Management Corporation.

COSTS

Undoubtedly, it requires time, effort and money to establish a Tenant Management Corporation. In its initial stages, tenant management has been shown to be somewhat more expensive than traditional housing authority management. The increased expenses are maily attributble to start-up costs, i.e. modernization and additional staff at projects under tenant management.

The following is a comparison of costs between tenant management and the estimated costs that would have been incurred had the Public Housing Authority continued to provide management at the predemonstration service level. Again, the increased costs are due largely to additional personnel and modernization expenditures.

Site	PHA Projected Cost over 3 years	TMC Costs over 3 years	Increase
A. Harry Moore	$ 4 156 000	$ 4 807 000	$ 651 000 (16%)
Curries Woods	$ 4 185 000	$ 4 939 000	$ 754 000 (18%)
Calliope	$ 3 954 000	$ 4 065 000	$ 111 000 (4%)

However, if costs are assessed in terms of net public expenditures and in terms of benefits, this typical conclusion requires a great deal of qualification. For example, the benefits of a Tenant Managed Corporation may be measured on a societal level in terms of the marginal product of labour resulting from the gainful employment of a welfare recipient. A welfare recipient may receive an average cheque amounting to $6 340 per annum, if this person should secure employment with a TMC, his salary might be $9 260 per annum, resulting in a net increase in expenditure of only $2 920 per year.

Where Kenilworth Parkside is concerned, the City of Washington's costs to implement tenant management, including resident training and staff assistance, represented the only additional cost incurred by the City over and

above those costs that would have been realized by private ownership. Kenilworth Parkside has also been able to generate additional monthly rental income through a reduction in the vacancy rate and by attracting a more diverse spectrum of applicants.

BENEFITS

In addition, "any comment on costs is of little value unless made in terms of benefits. The 'additional costs' related to Tenant Management are most obviously offset by the continued viability of the development as a housing resource for lower income families." (Rigby, The Residents as Resource, p. B4) If a particular housing project is on the way to abandonment, the public is losing a multimillion dollar investment of funds. This loss is compounded by the frustration, crime and despair bred by such circumstances as well as the ultimate cost of re-housing "X" number of low-income families if the development was in fact terminated. In a case such as this, the benefits to be derived from the implementation of a Tenant Management Corporation far outweigh the costs.

KEYS TO SUCCESS

The National Tenant Management Demonstration revealed that there are definite keys to success in the implementation of a TMC. The following are a few of their recommendations:

a) Before proceeding with the implementation of a TMC, ensure that there is a sufficient base for such a plan. It is desirable that at least 40% of the households at the site support the idea. Without tenant support, rehabilitation efforts will be an exercise in futility;

b) A TMC should only be undertaken in communities that have shown a great deal of stability, or which are believed to have the potential for stability, and who show evidence of organizational and managerial potential;

c) Ensure that an amenable political atmosphere exists at the local level;

d) Ensure that there are sufficent program start-up and physical modernization monies available;

e) If tenants are to become a significant residential resource, and if a critical level of trust is to be established, the organizing enterprise must produce concrete results in short order; i.e. refurbishing of formerly devastated hallways fosters immediate credibility;

f) The organizing effort needs to be grounded in mutual self-interest and around issues of broad commonality, i.e. improved security. In the National Tenant Management Demonstration, tenants tended to perceive their involvement in the security process to be of direct and individual benefit. In turn, this perception impacted on the entire community and facilitating high levels of direct involvement.

g) The revitalization process must emphasize the mutual rights and responsibilities of the parties involved. It must also assure the development and sustenance of community based organizations to catalyze and channel the collective resources of the community to address the changing issues that may confront the neighbourhood.

h) Public Housing Authorities should be encouraged to recognize tenant organizations and consult with them on a regular basis. Successful tenant management, according to the Manpower Demonstration Research Corporation, depends to a great on housing authority cooperation. Essentially, a TMC is only as good as its PHA.

i) A provision should be made in a contract between the TMC and the PHA for a performance standard that spells out the basis under which the TMC is to be evaluated and a set of mutually agreed upon targets toward which management could work. This assists the TMC in marking its process and

defending against charges of poor performance. The absence of such standards makes accountability difficult and prevents the fostering of a partnerhip between the TMC and the PHA. In turn, both contract and performance standards should be updated to meet changing circumstances.

j) Each TMC should be allowed to have its own complete income and expense budget, and any savings in operating expenses realized as a result of improved management should be retained by the TMC to improve the site.

k) It is desirable to implement a TMC structure parallel in structure to informal community leadership patterns -- leaders and programs present in the community prior to the TMC should become principals in the new TMC program because a consistency in resident roles provides a historical continuity essential to forwarding the enterprise.

l) It is important to understand tenant motivations for participation - altruistic vs. the desire to obtain employment and/or use power for their own purposes.

m) It is necessary to create a sense of professionalism among board and staff in order to foster accountability, ethical behaviour and discipline.

n) Potential tenant opposition to resident management should be gauged. At all sites participating in the National Tenant Management Demonstration, a group of residents emerged who opposed the concept of tenant management. This opposition was not initially anticipated and lasted anywhere from 1-2 years. Much of their fear stemmed from the belief that personal interests were going to be jeopardized, i.e. hidden income might be discovered which in turn could lead to their eviction.

o) Finally, it is necessary to create and maintain high Tenant Management Corporation visibility with residents through public notices, newsletters and community meetings.

REASONS FOR THE FAILURE OF CURRIES WOODS

While many tenant managed sites have succeeded, there have been a few dismal failures. Even if all of the forementioned steps to success are followed, other factors may arise that could invariably destroy a well-intentioned effort. Curries Woods in Jersey City is a prime example of unanticipated occurrences that contributed to the failure of a TMC. Curries Woods possessed unstable leadership and households, as well as a weak tenant organization. The high rate of tenant leadership turnover at Curries Woods was said to be due to rapid changes in racial composition. White households had decreased from 60 to 32%, while black households increased by a similar percentage. Single-parent households also increased from 30 to 65% (1975-1976). (Rigby, The Residents as Resource, p. 68) A community infrastructure could not be built upon a foundation fraught with such persisting instability.

Contributing to this instability at Curries Woods was site leadership, or rather, lack of it. "Of the site's 18 resident principals, only six had been involved in leadership roles since '73, one since '76, while eleven of the 18 had less than two years of leadership tenure. Site leadership had changed so often and so dramatically that slightly over 60% of the principals were relative newcomers to individual leadership roles, collective action and, in turn, community recognition." (Rigby, The Residents as Resource, p. 65) When compared to A. Harry Moore, a successful TMC, the effects of lack of leadership on the potential success or failure of a site is obvious. Out of the 14 principals at A. Harry Moore, 11 had been involved in leadership roles since '73, 3 since '76 and therefore, none for less than 2 years. (Rigby, The Residents as Resource, p. 64)

At Curries Woods, tenant's expectations had been raised to a level beyond the Public Housing Authority's rehabilitation capacity. When these expectations were not met, resident disillusionment negated consistent levels of participation. The first two Curries Woods buildings had organized predominantly

on their own. Resident expectations, therefore, were not the by-product of dialogue and bargain per se. Rather, expectations of the program were projected solely by the tenants themselves.

Curries Woods' physical design and condition offered little opportunity for the PHA to demonstrate its willingness, and for the authority and tenant leaders to demonstrate mutual capacity to improve conditions. Curries Woods' hallways offered little potential for improvement -- they did not have the degree of devastation that other sites, such as A. Harry Moore, did. As a result, the tenants of Curries Woods did not perceive their situation as severe enough to warrant a tenant response.

OTHER POTENTIAL PROBLEMS

Besides these setbacks at Curries Woods, there are other potential problems that may arise with regard to tenant managed housing:

i) The conversion process takes time (on average, anywhere from 2 to 4 years) - this may result in negative feelings, demoralization and impatience among staff, board members and the Public Housing Authority;

ii) There are often numerous changes in management, thus disrupting training plans and cohesiveness. Management changes are often the result of inexperience or initial dissatisfaction with the progress of the TMC;

iii) Board members may be unwilling to make personnel changes (i.e. the people they may be firing are probably friends and neighbours), or they may be unsure as to who the more capable candidates are;

iv) A manager may have difficulty dealing with his/her dual role; on the one hand, the manager is a resident and must deal with resident issues

in a representative manner. On the other, he/she may side with the housing authority in order to further career aspirations. This duality must be recognized and dealt with accordingly;

v) Some tenants may not be interested in becoming managers, or because of educational limitations, are severely hampered to act in that capacity. Other tenants, due to their transient nature, would be a disruptive rather than a cohesive force as agents of the TMC. As well, some members of tenant organizations may not be able to transfer their loyalties to management, thus resulting in undue conflict;

vi) Most importantly, there can be high costs involved to local public housing authorities for training and technical assistance - up to $100 000 per year. These costs are further increased if modernization is undertaken.

vii) In some cases, there may be Public Housing Authority resistance to a Tenant Management Corporation. This is often due initially to fear on the part of the PHA staff of job loss which can be addressed by guarantees of job security.

SETTING UP A TENANT MANAGEMENT CORPORATION

A number of elements must be considered in planning a training program for a Tenant Management Corporation. The planning phase should be fashioned by interested residents of tenant management goals and a general approach to achieving them (see Table 5, p. 23). The distribution of management functions between the housing authority and the future TMC must also be considered at this time, which in turn will serve to determine the scope and length of training as well as technical assistance. Once initial guidelines have been established, there are other factors to be considered:

i) Outreach - how will tenants be informed of the program and how will they be encouraged to apply, i.e. flyers, newsletters, word of mouth, etc.

ii) Screening/Enrollment

a) How will screening be done? Questionnaires, personal interviews?

b) Will minimum standards be set or basic skills assessed?

c) Will family members of board members be eligible for paid positions?

Undoubtedly, an emphasis should be placed on stability and significant organizational experience (if possible), when selecting applicants.

iii) Training

a) Who will do the training? (Public Housing staff, local teachers and vocational staff, or will all training be contracted out?)

b) How long will training last? The training of board and staff, on average, requires anywhere from 2-4 years. (Kolodny, What Happens When Tenants ..., p. 35) At most of the National Tenant Management Demonstration sites, the first two months of training were spent familiarizing the staff, in a very general way, with the basic practices and systems of the Public Housing Authority as they related to site management, and with some of the tasks for which they would be responsible. The next five months involved both on-the-job and in-classroom training. The classroom training consisted on average of 1/2 day x 3 days for week and covered a broad range of subject matter from the background of public housing site budgets to rent computations. There were also simulated de facto operating circumstances.

c) Will the training be the same for everyone, i.e. will all residents in training learn both management and maintenance skills, or will training be more concentrated? While management and maintenance skills may be taught to all tenants, it is recommended that board members and staff be trained separately in order to prevent confusion in the division of duties.

Obviously, training needs are dependent upon the aims of the project. If modernization is to occur, then maintenance men, groundskeepers, bricklayers, carpenters, electricians, painter's and plumber's helpers will be required. If just management training is to be done, then people will need to be trained in housing management, accounting, recordkeeping, public relations, etc. The costs of training are bound to vary. A rough estimate provided by the Minority Youth Training Initiative (MITI) is $4 900 per person, over and above the costs of modernization. (Comprehensive Improvement Assistance Program, p. 5) This figure will vary considerably depending on whether or not remedial education is provided to upgrade tenant skills.

d) Will the training be one-time intensive or ongoing? It has been shown that on-time intensive training is not enough since it ignores turnover among staff and board members and assumes that the participants are able to fully absorb and understand necessary information prior to direct experience in running a site. This is particularly the case for board members for whom much of the training is abstract since they do not receive the reinforcement of daily management activity. Moreover, they cannot always foresee the possible future uses of specific elements of training. People and needs change. Therefore, it is important to provide ongoing assistance in the form of workshops, on-site assistance, on-the-job experience and/or seminars or classes since practical experience supplements new training. Where training is concerned, more on-the-job and less in-classroom is recommended. Training should also be provided on the organizational life of the site as well as the technical in an ongoing fashion.

The role of technical assistant in a training program is a complex, challenging and demanding one requiring a variety of talents. Because the job of technical assistant involves reinforcing or

actually leading training sessions and helping the board make policy decisions, an ideal technical assistant has to be knowledgeable about public housing operations, including accounting and finance, property management and social services. Since the technical assistant is also responsible for the Tenant Management Corporation's initial dealings with the wider community, the technical assistant requires experience in community organization and group dynamics. Other ideal requirements for a technical assistant are diplomacy, good negotiation and writing skills as well as some legal experience. The costs of ongoing consultation can be met from operating budgets and need not require special funding. The Iroquois Homes RMC in Louisville, managed to retain general organization and technical consultants and secured regular legal representation for a total amount that was less than 1% of the site's total operating budget for 1983. (Kolodny, What Happens When Tenants ..., p. 52)

e) Where training is concerned, it must be decided what stipends are to be paid to trainees during training, whether on-the-job or in the classroom. The stipend is usually locally determined based on expected out-of-pocket expenses.

For more information on training, consult the Comprehensive Improvement Program: Tenant Training Guidebook, U.S. Department of Housing and Urban Development, June, 1985. This is a good source of information on setting up a tenant training program though it is geared largely to the Minority Youth Traning Program.

iv) Social Services

a) Will trainees need other services such as child care, transportation or health care to assist them in completing the training program?

b) What resources are available to meet these needs?

c) Who will be responsible for delivering them? Some sites in the United States have made counsellors available to help trainees solve personal problems while health services are usually provided by individual cities.

CONCLUSION

As can be seen, tenant managed housing offers a demanding yet promising alternative to conventional public housing management under certain conditions. While initial financial outlays for modernization (if required) and training may be extensive, the end results of such an endeavour appear to be well worth the effort. The evaluation of tenant management on a series of measured standard performance indicators such as rent collections and the quality and timeliness of maintenance, shows that the residents were able to manage their developments as well as prior management had, and in so doing, provided employment for some tenants and increased the overall satisfaction of the general resident population through a reduction in crime rates and the implementation of additional social service programs.

The more intangible results of tenant management such as an increased sense of usefulness and control over at least the residential aspects of one's life, though not as obvious to the viewer, must be considered to be equally important as the more tangible aforementioned results. "Any evaluation of tenant management which merely takes note of increases in costs must be judged to be myopic. Thus, tenant management represents not only a viable alternative form of managing distressed multifamily housing stock, but also a cost-effective one." (Rigby, The Residents as Resource, p. 85).

National Demonstration Sites and Others Engaged in Tenant Management

Original National Tenant Management Demonstration Sites	No. of Units	Physical Configuration	Year Completed
Jersey City - A. Harry Moore	664	high-rise	1954
- Curries Woods	712	high-rise	1959
Louisville - Iroquois Homes	854	garden	1952
New Haven - Que-View	260	garden	1941 1970
New Orleans - Calliope	1 550	garden	earliest 1940
Oklahoma City - Sunrise Acres	537	garden and single family scattered	N.A.
Rochester - Ashanti	211	garden and row housing	earliest 1968
Demonstration Sites which continue to operate under Tenant Management (Recipients of 2-year Extension Funding)			
Jersey City - A. Harry Moore	664	high-rise	1954
Louisville - Iroquois Homes	854	garden	1952
New Orleans - Calliope	1 550	garden	earliest 1940
Rochester - Ashanti	211	garden and row housing	earliest 1968
Other Tenant Management Sites (Year Initiated)			
Boston - Bromley-Heath (1971)	1 216	low-rise high-rise	earliest 1942
Jersey City Montgomery Gardens (1979)	462	high-rise	1953
Newark - Stella Wright (1978)	1 206	high-rise	1960
St. Louis - Carr Square (1973)	658	garden	1942
- Cochran Garden (1976)	704	high-rise	1953
- Darst (1973)	656	high-rise	1956
- Clinton-Peabody (1974)	657	garden	1942

Total No. Sites currently Tenant Managed - 11
Total No. Units currently Tenant Managed - 8 838

Table 2:

Summary of Costs and Funding Sources,
National Tenant Management Demonstration

Source	Amount	Recipient/Purpose
Ford Foundation	$ 510 000	MDRC/Management of Demonstration
Ford Foundation	90 000	Participating Sites/Passed through by MDRC to cover Incidental Expenses not Reimbursable under HUD Funding
HUD Office of Policy Development & Research	600 000	NDRC/Evaluation of Demonstration
HUD Office of Housing Operating Subsidy (Targets Projects Program)	1 560 000	Participating PHAs/Passed through to MDRC for its Training, TA and Monitoring Function
Operating Subsidy (Target Projects Program)	3 640 000	Participating PHAs & TMCs/ Costs of Starting-up Tenant Management
Operating Subsidy (Supplemental Funding)	1 300 000	Participating PHAs/Supplement to Extend Program for two years at four sites
Modernization Program	15 000 000*	Participating PHAs/Physical Upgrading of Tenant Management Sites
TOTAL	$ 22 700 000 - 15 000 000 7 700 000	

* Should not be counted as part of the Demonstration Expense

Table 3:

Summary of Modernization Funding at

National Tenant Management Demonstration Sites

	Amount	No. of Units	Per Unit Allocation
Jersey City			
A. Harry Moore	$ 997 000	644	$ 1 502
Curries Woods	1 015 000	712	1 426
Louisville	3 500 000	854	4 098
New Haven	1 650 000	260	6 346
New Orleans	6 524 000	1 550	4 209
Oklahoma City	1 007 000	537	1 875
Rochester	307 000	211	1 455
TOTAL	$15 000 000	4 788	$ 3 132

The basis for modernization:

1. Increased resident satisfaction
2. Attaction of tenants with higher incomes
3. Provides employment for tenants
4. Provide a focus around which TMC boards can make decisions and thus build organizational strength

Table 4:

"Summary of District Benefit Flows for Resident Management Operations at Kenilworth Parkside for Fiscal Years 1982 through 1991 *

Benefit Streams	Net present value in F.Y. 1982	Nominal dollar benefits 1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Project revenues:											
1. Increased rent receipts	$ 1 430 160	0	48 651	188 384	256 686	268 237	280 308	292 921	306 103	319 877	334 272
2. Income resulting from lower project vacancy rate	284 608	29 596	40 953	54 619	35 872	37 486	39 173	40 936	42 778	44 703	46 715
Total increase in project revenues	1 714 768	29 596	89 604	243 003	292 558	305 723	319 481	333 857	348 881	364 580	380 987
Benefits accrued to District government:											
Monetary benefits:											
3. Reduction in PAD expenditures	977 903	14 062	67 783	119 923	174 441	179 674	185 064	190 616	196 335	202 225	208 292
4. Increased income tax revenue	160 717	0	11 100	20 400	27 900	29 156	30 467	31 839	33 271	34 768	36 333
Quantifiable social benefits:											
5. Increased service provision at site	4 575 102	51 760	377 440	651 160	759 200	793 364	829 065	866 373	905 360	946 101	988 676
Total benefits to the District government	5 713 722	65 822	456 323	791 483	961 541	1 002 194	1 044 596	1 088 828	1 134 966	1 183 094	1 233 301

* Based on the assumption that major renovations will not occur.

From: Tenant Management of Public Housing. Hearing before the Subcommittee on Housing and Community Development, March 25, 1986, Washington.

B.W. COOPER TENANT MANAGEMENT

B.W. Cooper Development was built in 1941 and 1956, and is located on 56 acres of land. Tenant Management started at B.W. Cooper (formerly Calliope)

Problems to be rectified:

I. High vacancy
II. Vandalism
III. High accounts receivables
IV. Maintenance problems
    A. Heating and electrical
    B. Broken appliances
    C. Broken stair wells and deteriorated hallways
    D. Ground maintenance
V. Graffitti
VI. Crime, poverty and social delinquency
VII. Poor community spirit

Tenant Management Goals:

I. Improve Management by reducing the accounts receivables, discover income and decrease vacancies
II. Increase resident satisfaction
III. Increasing employment by providing jobs through Tenant Management
IV. Provide self-determination
V. Provide a sense of communication
VI. Show the city that Tenant Management would work.

Results of Tenant Management:

I. Vacancy rate monthly is 0 to 10
II. Accounts receivable is 11% to 13%
III. The monthly rent roll increased from $36 408 to $139 271
IV. The residents have imput in major decisions pertaining to the development
V. Quarterly meetings are held with the residents
VI. Many refrigerators, ranges, new hot water heaters, and space heaters were installed in the apartments
VII. The grounds are cleaned on a daily basis. Garbage is picked up on a four (4) days a week
VIII. Maintenance work is performed on a daily basis, and an emergency line is available after working hours
IX. The broken stair wells are repaired
X. The entire electrical system has been replaced
XI. Community spirit

Table 6:

Chronology of Setting-up a Tenant Management Corporation

(Also see Table 7, p. 26 for a more detailed Tenant Management Chronology)

1. PLANNING PHASE - goals, approaches, etc.

2. ELECTION OF BOARD OF DIRECTORS - involves the designation of a slate of candidates by fair and open means ensuring representation - also the development of election criteria and mechanics

3. INCORPORATION OF THE TMC - taking legal steps to make the Board of Directors a non-profit corporation under the law so that it can receive funds and carry out business.

4. BOARD TRAINING - board size may vary (anywhere from 5-13 members) - members participate in a structured 3-5 month training program covering both organizational matters and the principles of public housing real estate management. Though this training is unpaid, expenses incurred by participants are covered.

5. RECRUITMENT AND HIRING OF TMC STAFF - board members are assisted in outreach programs, the development of job descriptions, reference checks, interviews and candidate selection.

6. ON-THE-JOB TRAINING - imperative, varied duration.

7. CLASSROOM TRAINING - varied issues, varied duration.

8. NEGOTIATION AND SIGNING OF CONTRACT - once training is completed, the Public Housing Authority and the Tenant Management Corporation enter into a mutually agreed upon contract. The contract deals with the delegation of duties to the TMC, specific responsibilities of the TMC and PHA, and with the creation of an operating budget. (For a more detailed division of responsibilities between the PHA and TMC, see Tables 8, 9, pp. 26-28).

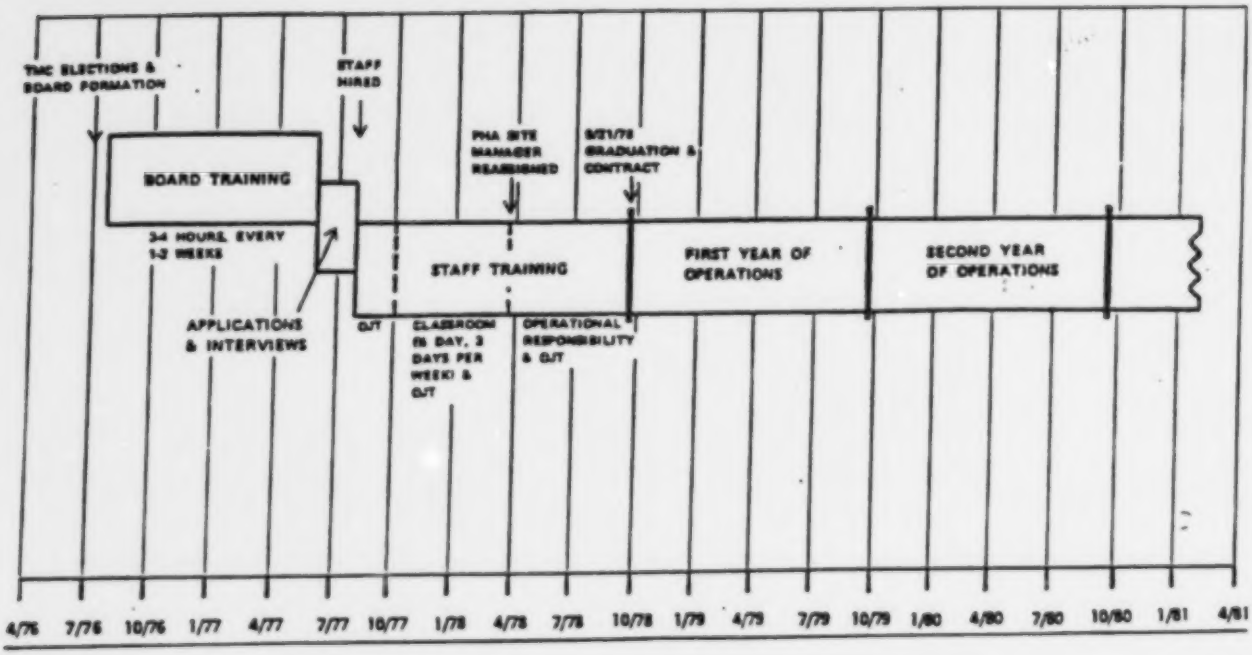
9. ASSUMPTION OF MANAGEMENT DUTIES BY TMC

10. ONGOING ASSESSMENT OF THE TMC PROJECT, CONTINUED TRAINING AND EVENTUAL RENEGOTIATION OF THE PHA-TMC CONTRACT

Table 7:

TENANT MANAGEMENT CHRONOLOGY: A. HARRY MOORE

(A SUCCESSFUL TMC)


TMC ELECTIONS & BOARD FORMATION
STAFF HIRED
PHA SITE MANAGER REASSIGNED
5/21/78 GRADUATION & CONTRACT
BOARD TRAINING
3-4 HOURS EVERY 1-2 WEEKS
APPLICATIONS & INTERVIEWS
STAFF TRAINING
FIRST YEAR OF OPERATIONS
SECOND YEAR OF OPERATIONS
O/T
CLASSROOM (6 DAY, 3 DAYS PER WEEK) & O/T
OPERATIONAL RESPONSIBILITY & O/T
4/76 7/76 10/76 1/77 4/77 7/77 10/77 1/78 4/78 7/78 10/78 1/79 4/79 7/79 10/79 1/80 4/80 7/80 10/80 1/81 4/81

MANAGEMENT TRAINING CHRONOLOGY: CURRIES WOODS

(AN UNSUCCESSFUL TMC)

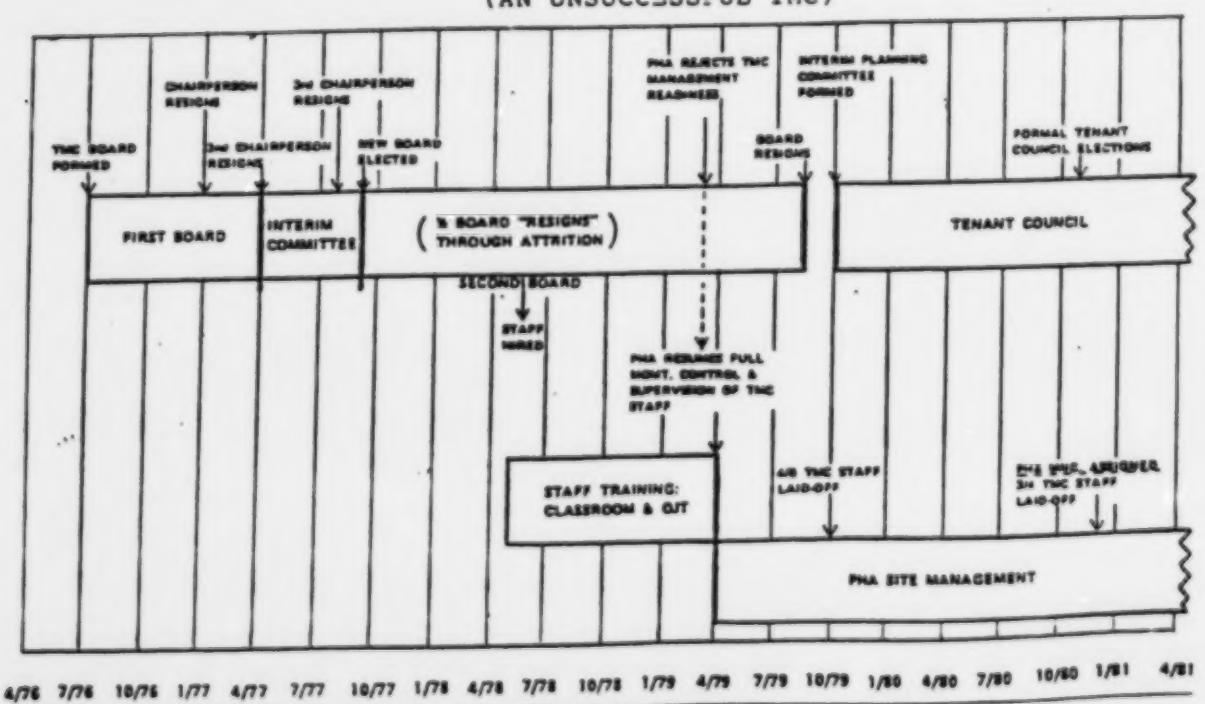

CHAIRPERSON RESIGNS
2nd CHAIRPERSON RESIGNS
PHA REJECTS TMC MANAGEMENT READINESS
INTERIM PLANNING COMMITTEE FORMED
TMC BOARD FORMED
2nd CHAIRPERSON RESIGNS
NEW BOARD ELECTED
BOARD RESIGNS
FORMAL TENANT COUNCIL ELECTIONS
FIRST BOARD
INTERIM COMMITTEE
(5 BOARD "RESIGNS" THROUGH ATTRITION)
TENANT COUNCIL
SECOND BOARD
STAFF HIRED
PHA RESUMES FULL MGMT. CONTROL & SUPERVISION OF TMC STAFF
STAFF TRAINING: CLASSROOM & O/T
4/8 TMC STAFF LAID-OFF
3/4 TMC STAFF LAID-OFF
PHA SITE MANAGEMENT
4/76 7/76 10/76 1/77 4/77 7/77 10/77 1/78 4/78 7/78 10/78 1/79 4/79 7/79 10/79 1/80 4/80 7/80 10/80 1/81 4/81

Table 8:

HOUSING AUTHORITY-TENANT MANAGEMENT CORPORATION ROLE DIVISIONS (A. HARRY MOORE DEMONSTRATION SITE)

	HOUSING AUTHORITY	TMC
PERSONNEL (HOUSING Authority employees at site)	Recruits and hires; general orientation →	Site specific orientation; monitoring and evaluation
	Reviews processes and takes personnel actions within parameters of civil service, union contracts, federal rules and regulations	← Recommends people for promotion, etc. provices documentation and testimony
	Reviews results and implications	
MODERNIZATION	Need, remedy and costs from engineering and operational (central office) perspective →	Review of findings and proposed plan: adds, critiques, recommends ammendments
	Consensus (notwithstanding pushing and shoving in between)	
	Application to HUD (or other source) covering all technical and administrative requirements →	Expression of site/ corporation support if necessary; mobilize political pressure

Table 8:
(continued)

ROLE DIVISIONS CONTINUED

	HOUSING AUTHORITY	TMC
PAYROLL (all site employees)	Calculates processes and certifies	Certifies time cards
	Receives data and delivers cheques	Distributes cheques and accepts employee complaints
	Reviews and resolves differences	
PURCHASING	Purchases (usually through specifications, bidding and contract award)	Requisitions material and equipment
	Receives, processes payment and logs expense	Picks up (from HA central warehouse), uses and keeps inventory
	Budget oversight	
MAINTENANCE (Requests for Apt. repairs - work orders)	Tracking/Monitoring productivity and back-log	Work orders received from tenants; staff assignment, follow-up and reporting
	Analysis of data: comparison to other HA sites and recommend actions if appropriate	Review results of HA analysis and offer critique and/or response
	Discussions and decisions	

Table 9:

DIVISION OF RESPONSIBILITY FOR SITE MANAGEMENT FUNCTIONS

	TMC	HA/TMC	HA
STAFF SUPERVISION			
TMC BLDG. MANAGERS	X		
HA SITE CLERICAL	X		
HA SITE MAINTENANCE	X		
HA CENTRALIZED SKILLED TRADES			X
OUTSIDE CONTRACTORS			X
OCCUPANCY			
VACANCY MONITORING	X		
APARTMENT PREPARATION		X	
APPLICATION ELIGIBILITY			X
APPLICANT SCREENING	X		
TENANT ORIENTATION	X		
RENT COLLECTION			
INITIAL DETERMINATION			
BILLING (AUTOMATED)			X
RECEIPT (BANK COLLECTION)			X
DELINQUENCY LISTINGS			X
DELINQUENCY FOLLOWUP	X		
ADMINISTRATIVE NOTICES	X		
SUMMONS PREPARATION	X		
COURT FILING			X
LEASE VIOLATIONS			
INITIAL TENANT WARNING	X		
ADMINISTRATIVE NOTICE	X		

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